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March 3, 2004

FCC/MELLON MAR 03 2004

Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: NEWSOUTH COMMUNICATIONS CORP., NUVOX, INC., And NUVOX
COMMUNICATIONS, INC. Application For Consent To Transfer Control
Of Companies Holding Blanket Domestic Section 214 Authority Pursuant
To Section 214 Of The Communications Act

Enclosed for filing with the Commission, please find an original and five copies of the above-captioned application. The Parties request authority for the transfer of control of companies that hold blanket authority under Section 214 of the Act to provide domestic interstate telecommunications services. (Related applications for authority to transfer control of those companies holding international Section 214 licenses are being filed today via the International Bureau's electronic filing system.)

Remittance Form 159 and a check to cover the \$860 filing fee for this application are appended. An additional copy of this filing for date-stamp and return to the delivering courier has been provided as well. If there are any questions regarding this application, please contact Joan M. Griffin at (703) 918-2320. Thank you in advance for your assistance with this matter.

Sincerely,
Winafred Brantl
Winafred Brantl

enclosures

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
NEWSOUTH COMMUNICATIONS CORP.,)	WCB Docket No. _____
 NUVOX, INC., And)	
 NUVOX COMMUNICATIONS, INC.)	
)	
Application For Consent To Transfer)	
Control Of Companies Holding)	
Blanket Domestic Section 214 Authority)	
Pursuant To Section 214 Of The)	
Communications Act)	

APPLICATION FOR TRANSFER OF CONTROL

NewSouth Holdings, Inc. ("Holdings") and its wholly-owned subsidiary, NewSouth Communications Corp. ("NewSouth Communications"), and NuVox, Inc. ("NuVox") and its wholly-owned indirect subsidiary, NuVox Communications, Inc. ("NuVox Communications") (Holdings, NewSouth Communications, NuVox, and NuVox Communications, collectively the "Parties"), pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act")¹ and Section 63.04 of the Commission's Rules,² hereby request the Commission's consent, to the extent necessary, to the transfer of control of NuVox, NuVox Communications, and NewSouth Communications (collectively, the "Carriers") resulting from a proposed merger of equals transaction more fully described below. The Carriers currently provide domestic interstate telecommunications services pursuant to blanket domestic Section 214 authority.

¹ 47 U.S.C. § 214.

² 47 CFR § 63.04.

Pursuant to an Agreement and Plan of Merger dated as of February 24, 2004 (“Agreement”), by and among NuVox, Holdings, and NS Transition Corp. (a newly-formed, wholly-owned Delaware shell subsidiary of NuVox), NS Transition Corp. will be merged with and into Holdings, with Holdings surviving and becoming a direct, wholly-owned subsidiary of NuVox. As consideration for the merger, each Holdings shareholder will receive shares of NuVox voting common stock at a specified exchange ratio that will provide them with approximately 50 percent of the equity and voting rights in NuVox following the merger.³ The existing NuVox shareholders will retain their shares and will hold the remaining 50 percent.

At present, the voting and equity interests of both Holdings and NuVox are held by numerous shareholders, and no single shareholder or group of affiliated shareholders of either company has the power on its own to elect a majority of its respective Board of Directors or to otherwise control or dominate its affairs. Following consummation of the proposed merger, three shareholder groups – NHSI Ventures LLC, Wachovia Capital Partners 2003, LLC and its affiliates, and M/C Venture Partners V, L.P. and its affiliates —will each hold 10 percent or more of the voting and equity interests in the combined company. Because Holdings and NuVox at present have certain overlapping shareholders, slightly over 50 percent of the outstanding equity and voting securities of the combined company will be held by the existing shareholders of Holdings, and slightly over 50 percent of the outstanding equity and voting securities of the combined company will be held by the existing shareholders of NuVox. In other words, current shareholders of Holdings (including shareholders who are also holders of the currently outstanding voting securities of NuVox) hold at this time, and will continue to hold, over 50 percent of the voting and equity interests of the ultimate parent of NewSouth Communications,

³ Each share of NuVox common stock has one (1) vote.

although the identity of that ultimate parent will change from Holdings to NuVox. Similarly, the current shareholders of NuVox (including shareholders who are also holders of the currently outstanding voting securities of Holdings) hold at this time, and will continue to hold, over 50 percent of the voting and equity interests of NuVox, which will be the ultimate parent of both NuVox Communications and NewSouth Communications.⁴ Accordingly, the proposed merger will not constitute a substantive transfer of control of any of the Carriers under the Act. Nevertheless, upon the advice of Commission staff, the Applicants are presenting this transaction to the Commission for its consideration and approval should such approval be deemed appropriate.⁵

As discussed below, the public interest is served by consummation of the merger contemplated by the Agreement. The merger will help ensure that the Carriers are viable long-term competitors to other carriers, most notably to the incumbent local exchange carriers. At the same time, the procompetitive benefits of the merger will not be diminished by any anticompetitive effects. The Carriers will continue to provide high-quality communications

⁴ Pursuant to the Agreement, the Parties have agreed that the initial Board of Directors of NuVox following the merger will consist of 13 members: 4 will be designated by current NuVox shareholders, 4 will be designated by current Holdings shareholders, and the remaining seats will be filled by the existing Chairman and Chief Executive Officer of NuVox, the existing President and Chief Executive Officer of Holdings, and 3 independent Directors (with 1 designated by NuVox shareholders, 1 designated by Holdings shareholders, and 1 selected by the Board). In subsequent elections following consummation of the merger, directors will be designated as provided above and pursuant to a Stockholders Agreement and elected by vote of the holders of the outstanding voting securities of NuVox pursuant to a voting agreement set forth in such Stockholders Agreement.

⁵ The Parties contend that the proposed merger will constitute a *pro forma* transfer of control of NewSouth Communications under the Commission's rules and policies. The Parties reserve the right to challenge any determination by the Commission that any or all of the merger transactions require prior approval.

services to their customers without interruption and without change in rates, terms or conditions.

The proposed transaction, therefore, serves the public interest, and is fully consistent with the Act and the Commission's Rules. As such, if the Commission determines that approval of the proposed transaction is required, the Parties request that the Commission grant this Application as expeditiously as possible.

Pursuant to Sections 63.04(a) of the Commission's Rules, the Parties set forth the following information in support of this Application:

- (1) The name, address, and telephone number of the Parties are as follows:

NewSouth Holdings, Inc. ("Holdings")
Two North Main Street
Greenville, SC 29601
(864) 672-5000

NewSouth Communications Corp. ("NewSouth Communications")
Two North Main Street
Greenville, SC 29601
(864) 672-5000

NuVox, Inc. ("NuVox")
16090 Swingley Ridge Road
Suite 500
Chesterfield, MO 63017
(636) 537-5700

NuVox Communications, Inc. ("NuVox Communications")
16090 Swingley Ridge Road
Suite 500
Chesterfield, MO 63017
(636) 537-5700

- (2) Holdings, NewSouth Communications, and NuVox are corporations organized under the laws of the State of Delaware. NuVox Communications is a corporation organized under the laws of the State of South Carolina.
- (3) Correspondence concerning this Application should be sent to:

If to Holdings or NewSouth Communications:

Keiki Hendrix
Executive Regulatory Administrator
NewSouth Communications Corp.
Two North Main Street
Greenville, SC 29601
Telephone: 864-672-5976
Fax: 864-672-5105
NSC_Regulatory@NewSouth.com

If to NuVox or NuVox Communications:

Hamilton E. Russell, III
Vice President – Southeast Legal and Regulatory Affairs
NuVox Communications, Inc.
301 North Main Street, Suite 5000
Greenville, SC 29601
Telephone: (864) 331-7323
Fax: (864) 331-1236

with copies of any correspondence to:

Joan M. Griffin, Esq.
KELLEY DRYE & WARREN LLP
8000 Towers Crescent Drive, Suite 1200
Vienna, VA 22182
Telephone: (703) 918-2300
Fax: (703) 918-2450
griffj@kelleydrye.com

- (4) It is anticipated that the following entities will hold 10 percent or more of the ownership interest in NuVox following consummation of the transactions contemplated by the Agreement.

NHSI Ventures. NHSI Ventures LLC (“Ventures”) is a Delaware limited liability company that will hold 17.5 percent of the voting and equity interests in NuVox after consummation of the merger. Ventures is currently a shareholder in Holdings; it has no other business interests. Ventures’ address is c/o Kohlberg Kravis Roberts & Co. L.P., 2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025. Ventures’ managing member and 98 percent owner is KKR 1996 Fund L.P., a Delaware limited partnership (“Fund L.P.”), located at 9 West 57th Street, New York, NY 10019. This is an investment fund with the two largest limited partnership interests of approximately 13 percent each being held by two state retirement funds. The sole general partner of Fund L.P. is KKR Associates 1996 L.P., a Delaware limited partnership (“Associates L.P.”) The sole general partner of Associates L.P. is KKR 1996 GP LLC, a Delaware limited liability company, whose managers are Henry R. Kravis and George R. Roberts. The address of each of the above-mentioned

individuals and entities other than Ventures is 9 West 57th Street, New York, NY 10019, and the principal business of each of the above-mentioned entities and individuals is investment. No other partner, general or limited, holds a 10 percent or greater interest in Fund L.P. All of the above entities are affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR"), a private investment firm that makes equity investments through various entities for itself and its shareholders. For additional information about KKR, please see its website at www.kkr.com.

Wachovia. Wachovia Capital Partners 2003, LLC ("WCP"), a North Carolina limited liability company, is a subsidiary of Wachovia Investors, Inc., a North Carolina corporation. The principal place of business of WCP and Wachovia Investors, Inc. is One Wachovia Center, 301 South College Street, Charlotte, NC. Wachovia Investors, Inc. is a wholly-owned subsidiary of Wachovia Corporation, a multi-bank holding company traded on the New York Stock Exchange under the WB symbol. WCP was created to own several investments on behalf of WCP. WCP and its affiliates will hold 11.5 percent of the voting and equity interests in NuVox after consummation of the merger.

M/C Partners. M/C Venture Partners V, L.P. ("MC Partners") is a Delaware limited partnership. Its address is 75 State Street, Suite 2500, Boston, MA 02109. Two state retirement funds hold a 13.6 percent and 11.8 percent interest respectively in MC Partners. MC Partners is controlled by its general partner, M/C VP V, L.L.C., a Massachusetts limited liability company located at the same address as MC Partners. The managers of M/C VP V, L.L.C. are James F. Wade, David D. Croll, Peter H.O. Claudy, John W. Watkins, John Van Hooser, John P. Ward, and Matthew J. Rubins. MC affiliates invested in NewSouth include Chestnut Venture Partners, L.P. ("Chestnut") and M/C Venture Investors L.L.C., both located at the same address as MC Partners. Chestnut is a Delaware limited partnership controlled by its general partner, Chestnut Street Partners, Inc., whose President and sole shareholder is David D. Croll. M/C Venture Investors is controlled by its managers: James F. Wade, David D. Croll, Peter H.O. Claudy, and Matthew J. Rubins. All of the above-mentioned individuals are U.S. citizens. The principal business of each of the above-mentioned individuals and entities is investment, and the address of each is 75 State Street, Suite 2500, Boston, MA 02109. MC Partners and its affiliates will hold 10.1 percent of the voting and equity interests in NuVox after consummation of the merger.

No other shareholders will hold 10 percent or more of the voting and equity interests in NuVox after consummation of the merger.

Diagrams showing the ownership structure of NuVox Communications and related parties before and after closing are provided in Attachment 1.

- (5) As evidenced by the signatures to this Application, the Parties certify that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) Pursuant to an Agreement and Plan of Merger dated as of February 24, 2004 ("Agreement"), by and among NuVox, Holdings, and NS Transition Corp. (a newly-formed, wholly owned Delaware shell subsidiary of NuVox), NS Transition Corp. will be merged with and into Holdings, with Holdings surviving and becoming a direct, wholly-owned subsidiary of NuVox. As consideration for the merger, each Holdings shareholder will receive shares of NuVox voting common stock at the specified exchange ratio that will provide them with approximately 50 percent of the equity and voting rights in NuVox following the merger. The existing NuVox shareholders will retain their shares and will hold the remaining 50 percent.

At present, the voting and equity interests of both Holdings and NuVox are held by numerous shareholders, and no single shareholder or group of affiliated shareholders of either company has the power on its own to elect a majority of its respective Board of Directors or to otherwise control or dominate its affairs. Following consummation of the proposed merger, three shareholder groups – NHSI Ventures LLC, Wachovia Capital Partners 2003, LLC, and M/C Venture Partners V, L.P.—will each hold 10 percent or more of the voting and equity interests in the combined company. Because Holdings and NuVox at present have certain common shareholders, slightly over 50 percent of the outstanding equity and voting securities of the combined company will be held by the existing shareholders of Holdings, and slightly over 50 percent of the outstanding equity and voting securities of the combined company will be held by the existing shareholders of NuVox. In other words, current shareholders of Holdings (including certain overlapping shareholders who are also holders of the currently outstanding voting securities of NuVox) hold at this time, and will continue to hold, over 50 percent of the voting and equity interests of the ultimate parent of NewSouth Communications, although the identity of that ultimate parent will change from Holdings to NuVox. Similarly, the current shareholders of NuVox (including certain overlapping shareholders who are also holders of the currently outstanding voting securities of Holdings) hold at this time, and will continue to hold, over 50 percent of the voting and equity interests of NuVox, which will be the ultimate parent of both NuVox Communications and NewSouth Communications. Accordingly, the proposed merger will not constitute a substantive transfer of control of any of the Carriers.

- (7) NewSouth Communications is a non-dominant, rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to end-user business customers. NewSouth Communications primarily markets its services to small and medium-sized business customers in the southeast United States where it generally holds both local and interexchange authority granted by various states. NewSouth Communications will continue to provide these services following consummation of the transactions contemplated by the Agreement. Holdings is a holding company for NewSouth Communications' stock.

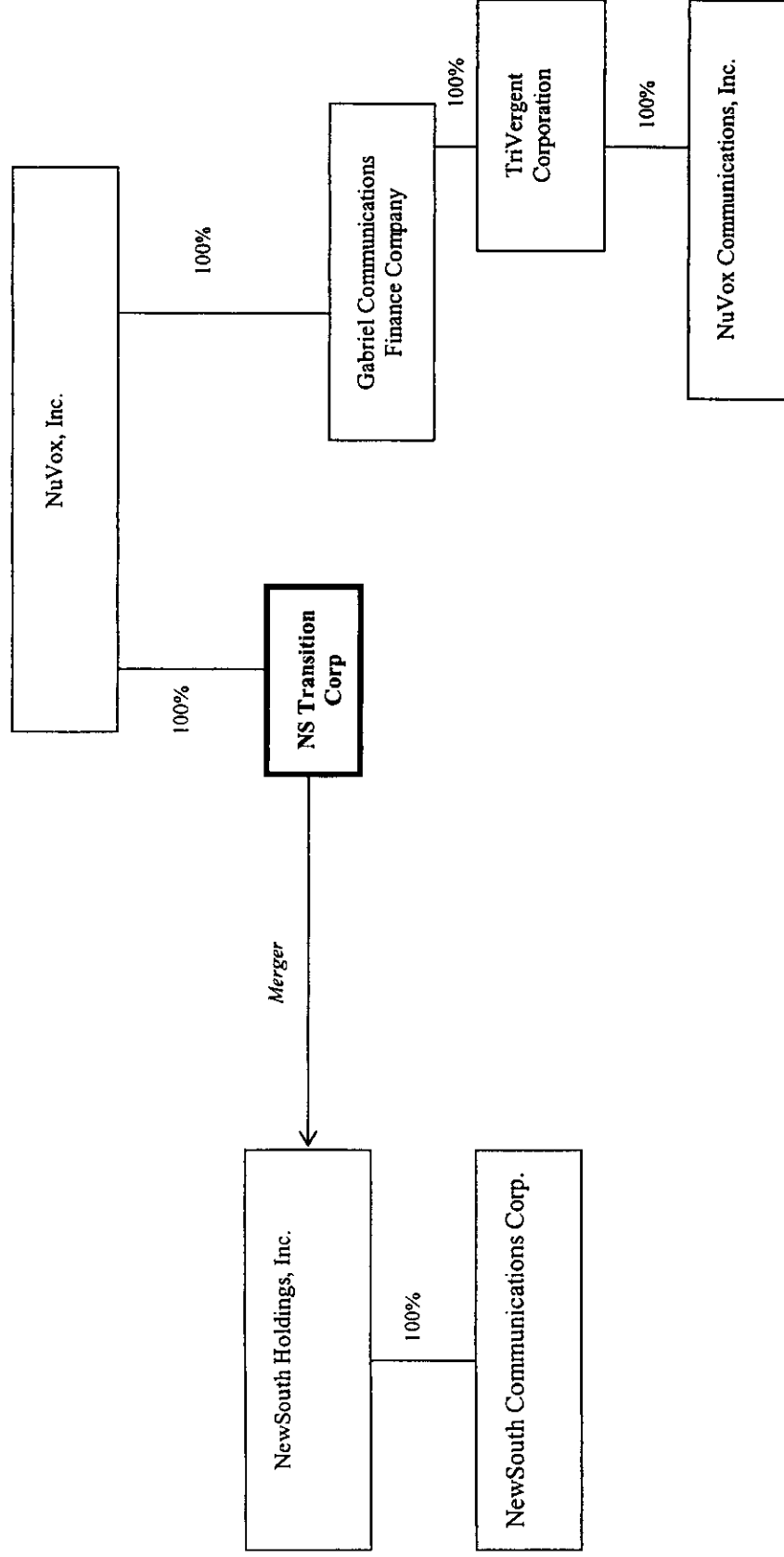
NuVox Communications is a non-dominant, rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to small and medium-sized business customers. Through its various operating subsidiaries, including NuVox Communications, NuVox markets its services in 13

contiguous midwestern and southeastern states. NuVox and NuVox Communications will continue to provide these services following consummation of the transactions contemplated by the Agreement.

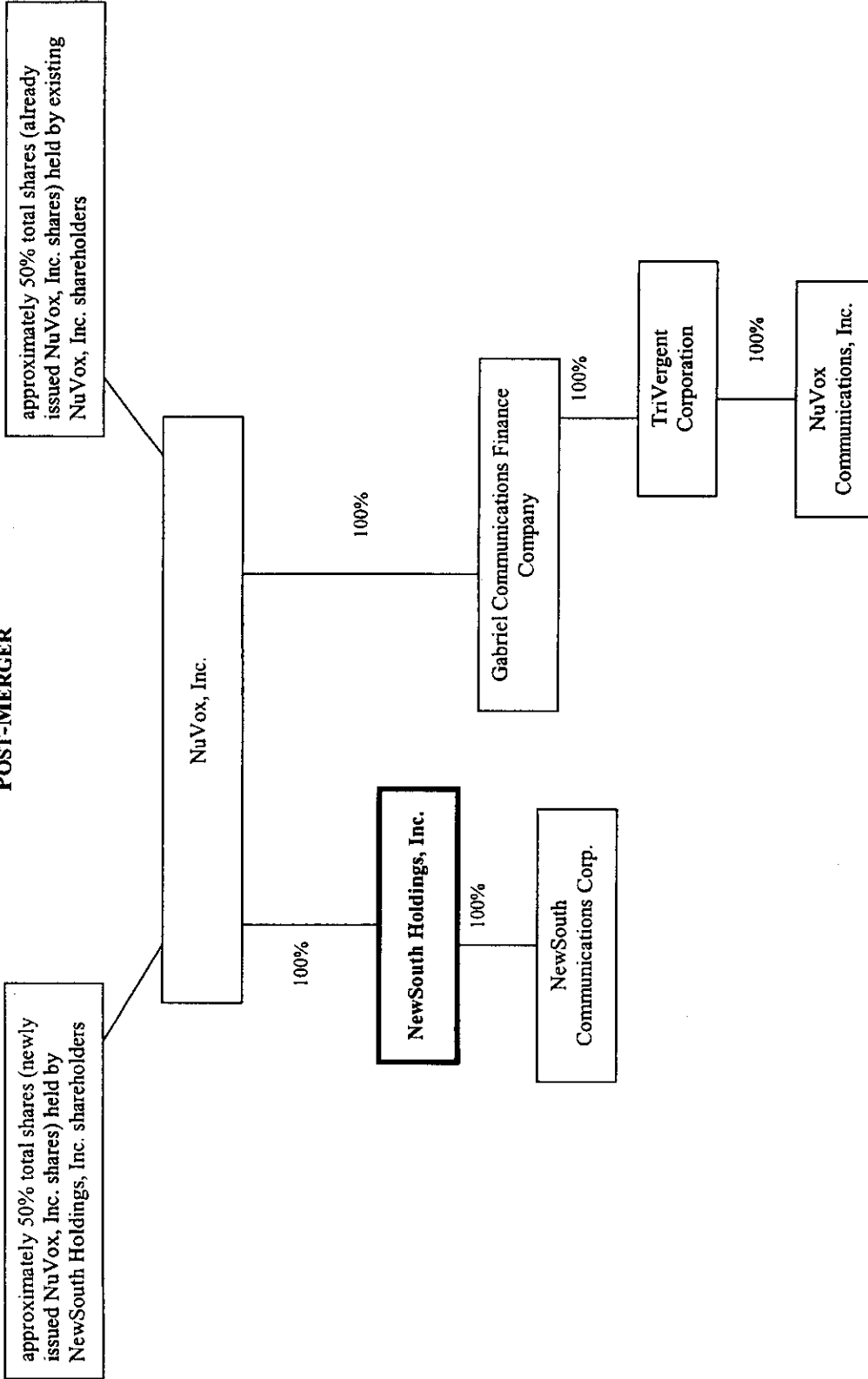
- (8) The streamlined processing procedures set forth in Section 63.03 of the Commission's Rules are presumed to apply to this Application because this Application satisfies the criteria set forth in Section 63.03(b)(2). The transaction proposed herein will result in the Carriers (and their affiliates) collectively having a market share in the interstate, interexchange market of less than 10 percent. Any competitive telephone exchange services or exchange access services provided by the Carriers (or their affiliates) will be provided exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Finally, none of the Carriers (including their affiliates) is dominant with respect to any service they provide.
- (9) Concurrent with the submission of this Application, the Parties are submitting transfer of control applications with respect to the international Section 214 authorizations held by NuVox, NuVox Communications, and NewSouth Communications.
- (10) The Parties are not requesting special consideration because one or more of the Parties is facing imminent business failure.
- (11) No separately filed waiver requests are being sought in connection with the proposed transaction.
- (12) As noted above, the Parties do not believe that this transaction involves an actual transfer of control. Nonetheless, even if the Commission determines that its approval is required, it is clear that the proposed transaction serves the public interest. The Parties share a common facilities-based serving strategy, customer focus and market footprint. The combination of these leading regional competitive telecommunications providers will create a combined company with double the scope and size of each of the existing companies and should enable the combined company to compete more effectively in the highly competitive market for telecommunications services. The combined company will benefit from increased economies of scale that will permit it to operate more efficiently and thus realize substantial financial synergies that should enable the combined company to increase its operating income and free cash flow. Given the difficulties with which the competitive telecommunications industry is now struggling, the creation of a larger, financially stronger telecommunications competitor would benefit American consumers.

At the same time, the proposed merger does not present any anti-competitive issues. The Carriers are non-dominant carriers that will continue to compete with BellSouth and other larger entities, including AT&T, Sprint, MCI, ITC^DeltaCom and US LEC, in the local and long distance markets. They will continue to provide high-quality communications services to their customers without interruption and without change in rates, terms or conditions. The combination of the Carriers into one company will not have a negative impact on competition. In the geographic markets in which the operations of the Carriers overlap (*i.e.*, Georgia, South Carolina, North Carolina, Florida, Kentucky, and Tennessee), the combined market share of the Carriers in the local service market is less than 5 percent, and there are a number of other CLECs operating in each market, as well as the incumbent carrier, which in each market controls in excess of 90 percent.

**CORPORATE STRUCTURE
PRE-MERGER**



CORPORATE STRUCTURE POST-MERGER



For the foregoing reasons, the Parties respectfully request that the Commission grant this Application as expeditiously as possible.

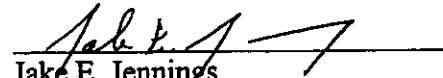
Respectfully submitted,

NEWSOUTH HOLDINGS, INC.

Joan M. Griffin, Esq.
KELLEY DRYE & WARREN LLP

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Suite 1200
Vienna, VA 22182
(703) 918-2320

By:

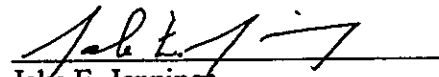

Jake E. Jennings
Senior Vice President – Regulatory Affairs
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NEWSOUTH COMMUNICATIONS, INC.

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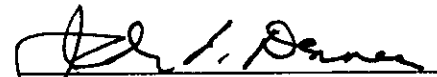
NUVOX, INC.

By:


John P. Denneen
Executive Vice President
NUVOX, INC.
16090 Swingley Ridge Road
Chesterfield, MO 63017
(636) 537-5700

Joan M. Griffin, Esq.
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By:


John P. Denneen
Executive Vice President
NUVOX COMMUNICATIONS, INC.
16090 Swingley Ridge Road
Chesterfield, MO 63017
(636) 537-5700

Their Attorneys

Date: March 3, 2004

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCK BOX # 358145		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Kelley Drye & Warren LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$860.00	
(4) STREET ADDRESS LINE NO. 1 8000 Towers Crescent Drive			
(5) STREET ADDRESS LINE NO. 2 Suite 1200			
(6) CITY Vienna		(7) STATE VA	(8) ZIP CODE 22182
(9) DAYTIME TELEPHONE NUMBER (include area code) 703-918-2320		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0006554778		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME NewSouth Communications Corp.			
(14) STREET ADDRESS LINE NO. 1 Two North Main Street			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Greenville		(17) STATE SC	(18) ZIP CODE 29601
(19) DAYTIME TELEPHONE NUMBER (include area code) (864) 672-5000		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0004319414		(22) FCC USE ONLY	
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(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>WINNIEE BROWN</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>Winniewe Brown</u>		DATE <u>3/3/04</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)

KELLEY DRYE & WARREN LLP
8000 TOWERS CRESCENT DR STE 1200
VIENNA, VA 22182

1183

68-760/560
BRANCH 06577

DATE March 2, 2004

PAY
TO THE
ORDER OF Federal Communications Commission

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Dennis Wood

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DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.
KELLEY DRYE & WARREN LLP

DATE	DESCRIPTION	AMOUNT
3/2/04	Filing fee - NewSouth/NuVox Merger Application 011420-0006 Exp. Code 000208 012687-0009 Exp. Code 000208 W. Brantl (04086)	 \$430.00 \$430.00